

PALABORA MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
Registration number – 1956/002134/06
JSE Code: PAM ISIN: ZAE000005245
(“Palabora” or “the Company”)

SECOND QUARTER 2008 – OPERATIONS OVERVIEW AND PRODUCTION STATISTICS

	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	1H 2007	1H 2008
Palabora mine							
Tonnes hoisted ('000 tonnes)	3,065	3,041	2,822	2,699	3,026	5,982	5,725
Ore treated ('000 tonnes)	3,025	3,046	3,958	3,181	3,027	5,910	6,208
Average ore grade: copper (%)	0.70	0.68	0.69	0.71	0.71	0.71	0.71
Copper concentrates produced ('000 tonnes)	56.0	48.6	52.5	73.9	89.4	138.1	163.3
Average concentrate grade: copper (%)	31.5	31.0	30.7	29.9	29.2	29.1	29.5
Copper in concentrates ('000 tonnes)	17.6	15.0	16.1	22.1	26.1	40.2	48.2
Palabora smelter/refinery							
New concentrate smelted on site ('000 tonnes)	74.2	73.9	74.1	66.4	72.4	147.8	138.8
New copper anodes produced ('000 tonnes)	22.9	24.0	22.7	18.1	22.3	44.0	40.4
Refined new copper produced ('000 tonnes)	22.9	24.0	24.0	18.3	21.6	43.7	39.8
By-products:							
Magnetite concentrate ('000 tonnes)	321	361	363	446	475	582	921
Nickel contained (tonnes)	12	43	45	42	26	17	68
Copper sold as concentrate ('000 tonnes)	1	-	0.7	1.8	3.2	10	5
Vermiculite plant							
Vermiculite produced ('000 tonnes)	50	50	50	50	50	100	100

Palabora Mining Company, a member of the Rio Tinto Group of Companies, situated in the Ba-Phalaborwa area of Limpopo, operates a large block cave copper mine and smelter complex.

Daily production from the underground mine averaged 33,256 tonnes for the quarter. The underground mine achieved the best daily production of 40,344 tonnes during this quarter. The production during the quarter was 12% higher than the previous quarter and 1% lower than the corresponding period in 2007. The tonnes hoisted for the first half of 2008 were 4% lower than the corresponding period in 2007 due to the power shortage in January and February. In total, 5,725,137 tonnes of ore were hoisted during the half with a copper grade of 0.71%.

The ore treated decreased by 5% compared with the previous quarter and flat year on year; largely due to discontinuation of the processing of surface oxidised material.

Copper concentrate production was 21% higher sequentially and 60% higher year on year mainly due to a combination of the reclaiming and transfer of 16,000 tonnes of low grade concentrate from 2007 pond inventory for sale and higher processing rate of smelter secondary material.

Copper in concentrate produced was 18% higher than the previous quarter and 48% higher compared with the same quarter in 2007, mainly due to a combination of copper from reclaimed low grade material and improved recovery from reprocessed smelter secondary material.

New anode production was 23% higher sequentially and 3% lower compared with the same quarter in 2007. The improved quarter over quarter and lower year on year performances are explained by the power supply situation.

The refined new copper produced was in line with the smelter output (new copper anodes produced).

Magnetite

Magnetite production was 7% higher than the previous quarter and 48% higher year on year, in line with the increased off-take agreement for export grade and improved rail capacity.

Vermiculite Operations

Vermiculite production was consistent with the previous quarter and when compared with the corresponding quarter in 2007.

The above information has not been reviewed or reported on by the company's auditors.

Phalaborwa
16 July 2008

Sponsor:
Barnard Jacobs Mellet Corporate Finance (Pty) Limited